

## **Economic Development Digital Advisory Board**

Tuesday 24 September 2019 at 2.00pm

Meeting to be held at: Town Hall and Civic Offices, Westoe Road, South Shields, NE33 2RL

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# AGENDA

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## Page No

1. **Apologies for Absence (Members)**
2. **Declarations of Interest**  

Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Strategy & Democratic Services Assistant). Please also remember to leave the meeting where any personal interest requires this.
3. **Minutes of the Previous Meeting held on 26 March 2019** **1-8**  

For approval as a correct record
4. **Progress Update** **9-26**
5. **Economic Development and Digital Advisory Board Review – Progress Update** **27-30**
6. **NECA Skills Agenda** **31-34**
7. **Date and Time of Next Meeting:** Tuesday 26 November 2019 at 2.00pm

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**To All Members**

## **Economic Development and Regeneration Advisory Board**

26 March 2019

Agenda Item 3

Meeting held: Committee Room, County Hall Durham, County Durham, DH1 5UQ

### **Present:**

Councillor: G Miller (Chair)

Councillors: C Marshall, J Adams and J Anglin

Co-opted Members: G Hall and B Farhat

### **18 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor I Malcolm, Ms S Glendinning and Mr T Salmon.

It was noted that Mr T Salmon was no longer the Federation of Small Business (FSB) representative on the Advisory Board. Nominations for a representative were being sought, and an update on this matter would be provided to Members in due course. **(Action)**

### **19 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **20 TERMS OF REFERENCE (FOR INFORMATION AND REFERENCE)**

Noted.

### **21 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were approved as a correct record and signed by the Chair.

### **22 5G NORTH EAST**

Submitted: A report of the Innovation Director, North East Local Enterprise Partnership (previously circulated and copy attached to Official Minutes).

The Advisory Board considered the report which outlined the emerging 5G technology opportunity and proposed a regional approach to coordinating and accelerating 5G rollout across the seven local authorities' area. The report was introduced by A Welby.

During the presentation of the report, the Advisory Board also noted the following:

- the background of 5G as an enabling technology;
- 5G being a technology where complex data could communicate fast and safely;
- opportunities and improvements 5G presented, including allowing new uses, transforming services and increasing productivity;
- an indication of costs and related options, including a shared infrastructure model;
- partnership working between public and private sector to develop an offer for the roll-out of 5G;
- the importance of working to develop a regional approach;
- the importance of working with the private sector to understand their needs and readiness for 5G; and
- discussions taking place with potential investors, including overseas investors.

During the ensuing discussion, it was also noted that:

- With other areas in the UK potentially competing for 5G opportunities, the key was to attract private sector investment.
- Work with Nexus presented a valuable opportunity of providing a digital spine infrastructure.
- Whilst some work had been undertaken on public communications, certain precautions were needed at this early stage. Further work would be undertaken on communications at appropriate stages.
- There could be community opportunities arising from the 5G rollout, at appropriate stages.
- Dialogues were ongoing with potential investment partners.
- Work was ongoing to identify preferred partners.
- The proposed approach assumed that local authorities would drive the roll-out of 5G.
- The term "infrastructure for 5G" was a collective term for different types of infrastructure, including sites, fibre networks and antennae.
- Progress of the 5G project depended on receiving consensus from the local authorities as a starting point, then the infrastructure and then going to the market before broader discussions on implementation. Currently, the 5G project was at its very beginning.
- The 5GNE team was happy to work with all seven local authorities.
- Technology changed communities. This would need to be taken into consideration.

Members asked that **(Action)**:

- The emerging 5G opportunity should include a rural perspective. It was noted that, whilst some work had been done specifically in this direction, a broader infrastructure focusing on rural elements was needed.

- Whilst new technologies were welcome, there were areas, particularly in Durham and Northumberland, that had digital connectivity issues. This should be addressed.
- It was important that 5G was understood. Training was also important to ensure this technology could be operated locally.
- Whilst local authorities welcomed innovation, it was important to have a firm offer from the private sector to minimise risks and ensure the innovation was driven by the market.
- Consideration should be given to using the existing wind turbine sites as part of the infrastructure for 5G.
- New technology such as 5G could potentially be used for driving transformation at work places, supporting new work models and improving work-life balance.
- It should be noted that Gateshead Council had recently had a damaging and time-consuming case involving a local resident who had a misconception about street lighting technology.

**RESOLVED** – That:

- i. the Advisory Board noted the continuation of a regional approach to the roll-out of 5G; and
- ii. Members' comments be noted.

**23 NORTH EAST LEP INNOVATION PROGRAMME**

Submitted: A report of the Innovation Director, North East Local Enterprise Partnership (previously circulated and copy attached to Official Minutes).

Copies of the Strategic Economic Plan, as referred to in section 15 of the report (Background Papers), were available at the meeting as well as on the North East Local Enterprise Partnership's website.

The Advisory Board considered the report which provided an overview of ongoing activity within the Innovation Programme. The report also provided an update on the pipeline spend profile of the Local Growth Fund (LGF) Innovation mini-programmes and the Innovation Programme that had been developed as part of the Strategic Economic Plan (SEP) refresh. The report was introduced by A Welby.

In discussion, it was noted that (Actions as appropriate):

- The Advisory Board noted the successful examples of RDI projects, as set out in the report.
- There were overseas examples of large Research and Development (R&D) centres lead by private sector. It was important to explore private sector's interest in establishing or investing in such centres in the region.
- There were challenges limiting the progress of innovation in the North East, as set out in the appendices to the report. These included having fewer businesses and the fact that many local businesses were branches rather

than headquarters, with Research, Development and Innovation (RDI) Centres located elsewhere. Many local businesses were focused on manufacturing rather than RDI.

- Universities were important assets for undertaking research, development and innovation work, but this work needed a more co-ordinated approach.
- Consideration should be given to enticing postgraduate research and development, with students staying in the region after graduation. University should be an integral part of initiating, enabling and driving RDI.
- The current vision for innovation for the region was to create a collaborative environment where businesses engaged and helped each other to solve problems through innovation.
- It was important to find a way of engaging small business.
- A collaborative approach to driving RDI was needed, with the local authorities playing a role.
- Part of the task was to showcase the benefits of locating RDI in the region, including availability of local knowledge and competitive costs.
- Regarding the refreshed SEP, a Member suggested that the SEP should have a stronger focus on culture and its economic benefit.

**RESOLVED** – That the progress to date and planned activities be noted.

## 24 **ECONOMIC DEVELOPMENT AND DIGITAL PROGRESS UPDATE**

Submitted: A report of the Thematic Lead for Economic Development and Digital (previously circulated and copy attached to Official Minutes).

The Advisory Board considered the report which provided an update on activity and progress under the Economic Development and Regeneration theme of the Combined Authority. The report was introduced by G Currey, B Poulter and V Taylor.

The Advisory Board noted activities of the Invest North East England. Members noted the new marketing materials: a new brochure and two videos promoting the regions for investment (videos were available on the Invest North East England website). It was noted that the videos had been produced by a local company.

In discussion, it was noted that (Actions as appropriate):

### **Inward Investment**

- The findings of the North East Local Enterprise Partnership's (LEP) study to review the Inward Investment Service in the North East would be reported to the Advisory Board in due course.

- Invest North East England (INEE) team had sponsored several events in the UK over the past year. Most of these had been outside of the region. The Team only sponsored NE-based events where these coincided with a programmed visit by potential investors, providing an enhanced opportunity for the companies visiting the region.
- In welcoming the promotional video, Members commented on the importance of using the contemporary promotional resources such as videos, social media and other online resources, including by local authorities. Members also emphasised the importance of using a targeted approach to promotional activities to ensure they reached the intended audience.
- MIPIM UK and MIPIM Cannes were valuable shows for the general promotion of the region and networking and were focused on property investment. As such, these events did not necessarily result in leads for new inward investment end users, which was the main focus and client group for Invest North East England.

The individual, and occasionally disjointed branding of different local authorities from the North East at the Cannes event remained a potential issue.

It was unfortunate that negative publicity over the costs of attending these important events, prevented some elected members from attending.

## **Brexit**

- The Government had issued an updated note on Brexit regarding European funding, which remained underwritten until its expiry in 2020 in the event of No Deal. It was important to use these resources.
- It was important to secure transitional funding to mitigate the impact of Brexit on the North East.
- The region worked hard on building resilience to prepare to mitigate the impact of Brexit and to identify opportunities.
- Whilst companies were now preparing for Brexit, further work was needed with members of the public to avoid panic.

### **RESOLVED – That:**

- i. the progress update report be noted; and
- ii. a further report on the development of the Local Industrial Strategy be received at the next meeting.

Submitted: A report of the Thematic Lead for Economic Development and Digital (previously circulated and copy attached to Official Minutes).

The Advisory Board considered the report which invited views on the role and remit of the Advisory Board, to see if it remained fit for purpose in its current form.

In discussion, Members discussed the name of the Advisory Board; its relationships with the Leadership Board; the preference for a work programme; the need for more detailed information on the Economic Development and Digital theme activities in individual constituent local authorities; the focus of reports; and relationships with the North of Tyne Combined Authority.

Members were invited to give this matter further consideration and submit their comments either directly to the Chair or the Lead Officer. Comments could be anonymised, if preferred. The outcome would be reported to a future meeting **(Action)**.

**RESOLVED** – That:

- i. The Leadership Board be recommended to change the name of the Economic Development and Regeneration Advisory Board to “Economic Development and Digital Advisory Board”.
- ii. Members of the Advisory Board would submit their comments on the role and remit of the Advisory Board to the Chair or the Lead Officer, anonymously if preferred, and the findings would be reported to a future meeting.
- iii. The Lead Officer would develop an indicative work programme for the Advisory Board, which would remain flexible.
- iv. The work programme would be inclusive of information on activities of individual constituent local authorities.
- v. The North of Tyne Combined Authority be approached with an invitation to appoint an Observer to the NECA Economic Development and Regeneration Advisory Board; and accept an Observer from the NECA to the North of Tyne Combined Authority.
- vi. Consideration be given to identifying better connectivity between the work of the Advisory Board and the Leadership Board, including approaching the Leadership Board with the question of whether there were any specific areas of work that the Leadership Board needed the opinion of the Advisory Board on.
- vii. Current arrangements and the Terms of Reference of the Advisory Board, apart from the proposals regarding the change of name as set out in Resolution i above, would continue in the current municipal year until the time a further review was undertaken.



To be confirmed.



## **Economic Development and Digital Advisory Board**

**Date:** 24 September 2019

Agenda Item 4

**Subject:** Economic Development and Digital Progress Update

**Report of:** Thematic Lead for Economic Development and Digital

### **Executive Summary**

The purpose of this report is to provide an update on activity and progress under the Economic Development and Digital theme of the Combined Authority.

The report provides an overview of activity of Invest North East England; an update on the development of the North East Local Enterprise Partnership Local Industrial Strategy; and an overview of the current activity within the European Structural and Investment Fund programme – including European Development Fund and European Social Fund grant allocations, commitments and ongoing bids and calls

The report also provides an update on the Strength in Places Fund and an overview of the latest position with regards to Brexit and the withdrawal agreement.

### **Recommendations**

Advisory Board members are requested to note and provide any comments on the update report.

## Economic Development and Digital Advisory Board

### 1.0 Background Information

1.1 This report provides an update on activity and progress under the Economic Development and Digital theme of the Combined Authority, including:

- Invest North East England and Trade activities
- Local Industrial Strategy
- European Structural and Investment Funds Programme
- Brexit.

### 1.2 Invest North East England (INEE)

#### 1.3 *Inward Investment Successes 2018/19*

1.4 Key investments in the NECA area in the period include:

- VBites have taken over the ex-Walkers Crisps Factory in Peterlee creating 300 jobs
- SNOP - company building a new facility on the Sunderland/South Tyneside International Advanced Manufacturing Park
- Parker Bioscience Filtration - investing in new equipment in Gateshead
- BGL Group in Sunderland creating a new 'Tech Hub' with 40 new positions
- Vantec opens new Safety and Training Innovation Centre in Sunderland
- Trotec Laser UK moves to new HQ premises South Tyneside.

#### 1.5 *National success figures in comparison to INEE*

1.6 There has been improved job creation arising from FDI inward investment successes for 2018/19. When inward investment projects from new UK companies are included, the INEE area recorded a 1% increase in project numbers and a 69% increase in new jobs created compared with 2017/18.

It is interesting to compare the figures for the INEE area on a 'like for like' basis with the national and regional picture. When successes are calculated on a new jobs created per 100,000 working age population basis, it gets over the problem of comparing regions with very different populations. The table below shows how the North East Local Enterprise Partnership (NELEP) area outperforms most other regions.

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Region	Total Number of <u>New</u> Jobs	Working Age Population (16 – 64 years)	Jobs created per 100,000 (working age population)
North East LEP	1,554	1,243,000	125
North West	4,663	4,542,500	103
Yorkshire and The Humber	2,244	3,416,900	66
East Midlands	1,823	2,983,300	61
West Midlands	5,044	3,651,200	138
East of England	1,513	3,781,800	40
London	14,875	6,014,100	247
South East	3,905	5,616,600	70
South West	1,945	3,382,600	58
Scotland	3,348	3,492,500	96
Wales	2,314	1,923,900	120
Northern Ireland	1,475	1,179,900	125

**Source:**

Total of new jobs – Department of International Trade - <https://www.gov.uk/government/statistics/department-for-international-trade-inward-investment-results-2018-to-2019>

Working Age Population – NOMIS (as of 26/06/2019)

1.7 ***Current Enquiries***

1.8 The INEE team is very busy at present leading on a number of significant enquiries predominantly in the advanced manufacturing, digital tech and business services sectors. This includes a number of ‘last phase’ visits where the North East has been shortlisted from a wider long list.

1.9 ***New member of Staff***

1.10 The Team recruited a graduate intern on 2 September 2019 to help with new back office lead generation. This targeted work will be in addition to the new lead generation contract set out below.

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### 1.11 ***Marketing and Communications***

#### 1.12 *Key elements in 2019/20 include:*

- Six showcase videos have been produced to promote the region
- A further six shorter videos have been produced, focussing on cross cutting themes (e.g. connectivity, skills) to promote the region – to be used predominantly in social media
- A refreshed INEE website to maximise visitor experience
- INEE’s presence across social platforms continues to grow in followers and impressions
- INEE continues to produce a bi-monthly newsletter for subscribers covering news and events from North East England
- INEE has continued to produce and refresh marketing collateral to support the promotion of the region
- INEE continues to meet with local authority partners and NELEP to ensure all future marketing campaigns and events are dovetailed and aligned.

### 1.13 ***Events***

#### 1.14 The INEE team have already attended / exhibited at / sponsored a number of events in 2019/20 representing the region. Key events include:

- XRTGO (April 2019)
- Thinking Digital, (May 2019)
- Global Wind, London (June 2019)
- Northern Exposure, (September 2019).

The INEE team has agreed to sponsor / exhibit at the following events for 2019/20:

- NEAA Expo, (September 2019)
- MIPIM UK SUMMIT (October 2019)
- Offshore Wind North East (November 2019)
- Shared Services Leaders’ Summit (March 2020).

### 1.15 ***Lead Generation Contract***

#### 1.16 The sourcing of completely new leads for the North East is a vital part of INEE’s activity, adding value to the NECA’s local authorities’ own activities. INEE’s first lead generation contract with OCO Global was completed recently. It was focused in the main on digital and professional services companies in London and the South East but also identified manufacturing projects and a number of projects from

## Economic Development and Digital Advisory Board

overseas.

The contract has been re-tendered and has again been secured by OCO Global. The new contract commenced in July with an amended specification which focuses on:

- Companies in the Financial Professional and Business Services (FPBS) and the digital & technology sectors, which have a base in London, the South East of England, Northern Ireland, or the Republic of Ireland, and who would consider the INEE area as a potential area for re-location or opening a new facility
- UK-based advanced manufacturing companies operating in one or more of the North East's key manufacturing sub sectors including:
  - automotive (especially electrical vehicles and supporting technology companies, including R+D functions)
  - energy (including offshore wind technologies)
  - food and drink.

Whilst these are the primary target sectors/markets, projects outside of these broad sectors, but in line with any of INEE's other key sectors, will be sought.

The five key sectors are:

- Digital and Tech
- Energy
- Life Sciences
- Automotive and Advanced Manufacturing
- FPBS.

### 1.17 Working with the Department of International Trade (DIT)

### 1.18 *High Potential Opportunities (HPO)*

1.19 INEE has been successful in its bid for the development of an HPO. An HPO is a mechanism to ensure that significant market opportunities which will be attractive to overseas investors, are publicised widely to relevant markets overseas. The North East HPO is based on the growing strength of the region's immersive tech sector, and links with the advanced manufacturing sector in the region. The HPO will be launched during September, with an associated lead generation exercise carried out by DIT overseas.

### 1.20 *DIT National Sector Team briefings*

1.21 In December 2018 and January 2019, INEE briefed the national DIT teams responsible for Life Sciences and Energy & Infrastructure. These briefings are one

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way in which INEE and other partners ensure the DIT national teams have an up to date understanding of North East capabilities and opportunities in key sectors. The latest briefing took place during August with the DIT's Digital Team.

### 1.22 ***Northern Powerhouse Key Account Management Programme***

1.23 After two successful years aimed at broadening the delivery of the Strategic Account Management of foreign owned firms in the North East, DIT Northern Powerhouse has agreed to enter into a further year's contract for 2019/20 to enable local authority partners to deliver additional account management resource, adding value to the existing arrangements delivered by DIT. The 2018/19 programme was very successful, with delivery exceeding contracted outputs.

## 2.0 Trade Update

2.1 North East World Wide (the North East Trade Contract delivered through the North East Chamber of Commerce), continues to top the DIT leader board in terms of the achievement of outputs and outcomes, while the European Regional Development Fund (ERDF) enhancement means that the North East is benefiting from a more intensive service than many areas.

2.2 The DIT is introducing a new trade service structure to be implemented next financial year. Contracts will be procured and structured in the following delivery areas:

- Northern Powerhouse (currently three contracts cover this area)
- Midlands Engine
- South West
- South East
- London.

Two associated contracts will be procured and managed centrally for:

- Grant management
- Management and administration.

The new service will introduce a Diagnostic and Brokerage Service which will be focused on businesses with a turnover in excess of £500k.

2.3 This new service will exclude the majority of North East businesses and there are also questions regarding the Governance model and how LEPs can hold deliverers to account over the delivery of the North East priorities set out in the associated North East ERDF annex (ERDF is being matched nationally). These issues are being raised with DIT by the NELEP and NP11 colleagues and they have also been



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raised with the Ministry of Housing, Communities and Local Government (MHCLG).

- 2.4 The impact and regional response are being considered through the development of the North East Internationalisation Strategy which forms a proposition within the Local Industrial Strategy (LIS).
- 2.5 The North East Internationalisation Strategy will aim to support the delivery of the national export strategy and raise GDP delivered through export related activities from 30% to 35%. It will also aim to address regional imbalances and to build resilience in our export base which includes raising the number of businesses exporting from 6% of the business base to 9.5% - this represents an additional 2,350 businesses. This will require a focus on reducing the current 50% of exporting businesses who stop exporting (churn) to 25%. Based on the DIT's current conversion rate it's estimated that to achieve our aim by 2030 we will need an infrastructure that engages with approximately 40% of our business population – this is being considered within the associated Growth Hub 2.0 proposition which also forms part of the LIS.

### 3.0 Local Industrial Strategies

- 3.1 The Government has requested that LISs are developed by LEPs – and in some cases Mayoral Combined Authorities – and submitted for refinement and eventual approval. Guidance published by Government in October 2018 highlighted that “Local Industrial Strategies will be long-term, based on clear evidence and aligned to the National Industrial Strategy”.
- 3.2 NELEP partners have been asked to develop their LIS within the second ‘wave’. Two of the first wave – Greater Manchester and the West Midlands have now produced and published their approved version.
- 3.3 LIS's will inform priorities and allocations for significant funding streams including the UK Shared Prosperity Fund (UK SPF), which it is planned will replace EU funding once the UK has exited the European Union. Already, smaller funding streams that have been created are requiring that proposals are aligned with LIS's.
- 3.4 LIS's need to link strongly to the Government's Industrial Strategy whose aim is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK.

### 3.5 *The NELEP Local Industrial Strategy*

- 3.6 The NELEP LIS is being developed in partnership and facilitated by the NELEP

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team. NECA has representation on both the Steering Group and the Working Group. Significant evidence pieces have been produced to feed into the LIS, most importantly a review of productivity by Steer and Cambridge Econometrics and a review of Sectors, Competencies and Assets by Technopolis.

3.7 This draft LIS builds on the North East's strengths and assets through five key priority themes:

- A clean growth future through energy and environmental assets
- Transforming manufacturing: smarter, greener, global
- Improving health at a time of demographic change
- Digitalisation and growth in the knowledge economy
- Driving a productivity culture and improving standards of living across our region.

3.8 Within these themes the draft identifies how the North East will make its contribution to the programmes and priorities set out in the UK Industrial Strategy – through Sector Deals, Grand Challenges and the Foundations of Productivity. Through the LIS a range of priorities for support will be identified including through Government funding schemes, private investment, and regional and local resources, including the forthcoming UK SPF. It is being viewed as a delivery plan for the North East Strategic Economic Plan (SEP). Submission and approval are now expected to take place in the autumn.

3.9 ***Developing NECA content for the LIS***

3.10 NECA Leaders, supported by their Chief Executives have provided strategic guidance to Economic Directors and Heads of Transport in developing content for the LIS. This is now being worked into the draft.

**4.0 European Structural and Investment Funds (ESIF)**

4.1 The European Structural and Investment Fund (ESIF) programme continues to be delivered in the North East. The region is split into two areas: (1) More Developed (Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland); and (2) Transition (County Durham). An update on European Regional Development Fund, European Social Fund and European Agricultural Fund for Rural Development is provided below.

4.2 ***European Regional Development Fund (ERDF)***

4.3 The notional allocation for the More Developed area is £176.9m, and in the

## Economic Development and Digital Advisory Board

Transition Area is £86.3m; a total for the NELEP area of £263.2m. The NELEP area now has a total project pipeline of c£204m representing 77% of the total allocation. Approximately £168m of this pipeline is legally committed with a further £35m of applications under appraisal.

- 4.4 In order to ensure that new projects can come forward for the remaining resource, MHCLG launched 5 new calls for projects on 30 June 2019, with a deadline for outline applications of 30 September 2019. A regional event to promote the ERDF calls, organised by the NELEP, took place on 11 July 2019.

The calls are as follows:

- Priority Axis 1 Research and Innovation - £10.8m available (£6.9m More Developed / £3.9m Transition)
- Priority Axis 3 SME support - £21.4m available (£10.6 More Developed / £10.8m Transition)
- Priority Axis 4 Low Carbon - £18.1m available (£1m More Developed / £17.1m Transition)
- Priority Axis 5 Climate change - £1m available More Developed only
- Priority Axis 4 and 5 Sustainable Urban Development (Low Carbon and Climate Control) - £7m Low Carbon / £2m Climate Control – More Developed only.

- 4.5 The Government has confirmed that it will guarantee funding for ERDF projects that are contracted by the end of 2020. All contracted ERDF projects must be completed by the end of the programme period, 30 June 2023. Each application for ERDF will be required to demonstrate that it delivers good value for money and domestic strategic priorities.

### 4.6 **European Social Fund (ESF)**

- 4.7 Across the NELEP area there is a notional allocation of £224.7m (More Developed £161.3m, Transition £63.4m). At this point, over £89m has been legally committed in the More Developed Area (55%) and over £47m in the Transition Area (74%). Commitment level estimates, including pipeline applications, would bring this level up to 64% in the More Developed Area and 92% in the Transition Area. Significant resource (c. £70m) remains to be allocated, c.£20m under Priority 1 – Inclusive labour markets and c.£50m under Priority 2 - Skills for Growth.

- 4.8 A joint NELEP and Local Authority event was held in January 2019 to inform the future Skills for Growth calls. This was followed by two further workshops in February 2019 to develop potential proposals and promote collaboration between

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local organisations, prior to calls being launched in spring 2019. A further pre-call consultation event took place on 21 March 2019 focusing on Inclusive labour markets (i.e. targeting those individuals furthest from the labour market).

- 4.9 The Department for Work and Pensions (DWP) issued an ESF Skills for Growth project call in the NELEP area. The deadline for applications was 27 August 2019.

Approximately £27.16m of ESF is available under:

- (2.1) Enhancing equal access to lifelong learning - £17m for More Developed area, £3m for Transition (Durham). Preference for projects over £5m ESF
- (2.2) Improving the labour market relevance of education and training systems - £6m More Developed area, £1.16m Transition.

- 4.10 A regional event was organised by the NELEP and North East Technical Assistance Project on 14 June to promote the call to regional partners. This was attended by 65 delegates and as a result 4-5 large consortia projects, led by universities, colleges and industry/training partners, were submitted to the DWP.

- 4.11 On 27 June 2019, the DWP issued an ESF Inclusive Labour Market project call in the NELEP area focused on the Sustainable Integration of Young People in the Labour market. This call closed on 5 September 2019.

Approximately £9m of ESF was available under the following priority:

- (1.2) Sustainable Integration of Young People in the Labour market in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee - £3m More Developed area, £6m Transition. Projects must meet a Minimum Application Value.
- All ESF projects must be completed by December 2023 (projects must be completed no later than 3 years and 6 months after the proposed project start date).

- 4.12 Further ESF calls are expected to be issued between September and November 2019 in order to deploy the NELEP area's remaining allocation. A regional event to promote the latest call under the Inclusive Labour Market Priority Axis (to be launched w/c 9 September 2019), will take place on 13 September 2019.

### 5.0 Strength in Places Fund

- 5.1 Led by UK Research and Innovation (UKRI), Strength in Places Fund (SIPF) is a competitive funding scheme (launched in 2018), that takes a place-based approach to research and innovation funding, to support local economic growth. The fund

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aims to support innovation-led regional growth by identifying and supporting areas of R&D strengths that drive clusters of businesses that have potential to innovate, or to adopt new technologies, so that these clusters can become nationally and internationally competitive. Projects will bring together local collaborations building on the underpinning regional economic impact role of universities and other R&D facilities and engaging those businesses at the forefront of delivering economic growth through innovation within the identified economic geography.

- 5.2 The specific objectives for the SIPF are:
- Funded activities contribute towards significant, relative regional economic growth – ‘relative’ economic growth defined as having a significant impact locally that closes the gap between that region and the best nationally
  - These activities must be in line with UKRI’s mission, where the focus is on supporting those businesses and research organisations at, or near to the frontier of the economy
  - Excellent research and high-quality innovation is completed, or underway as a result of funded proposals
  - Collaborations between local businesses, research organisations and local leadership are enhanced as a result of the funded proposals
  - The evidence base around the impact of locally targeted R&D spending in the UK is improved
  - Funded proposals deliver good value for money relative to the area being supported, and in terms of additionality.
- 5.3 Twenty-three bids nationally have been invited to develop full stage bids to be submitted by 18 September 2019; two of these bids are in the NECA area: North East Cluster for Healthy Ageing and Independent Living (NE-CHAIN) and Centre for Sustainable Advanced Manufacturing (CESAM).
- 5.4 ***Centre for Sustainable Advanced Manufacturing***
- 5.5 Advanced Manufacturing growth is one of four areas of strategic importance within North East England's Strategic Economic Plan and at the heart of Sunderland City and South Tyneside Economic Master Plans. CESAM is a transformational regional investment that forms a critical component of North East England's plans to create 'more and better jobs' through growth in smart and sustainable advanced manufacturing.
- CESAMs immediate priority is enhancing the productivity, competitiveness and growth of the region's £11bn automotive sector, which is of crucial importance to

## Economic Development and Digital Advisory Board

the North East's economic future.

### 5.6 ***North East Cluster for Healthy Ageing and Independent Living bid***

5.7 Led by Newcastle University, and building on their considerable research expertise in ageing, a consortium will comprise Universities, NHS, the North East Combined Authorities, public and private care providers, educators, local, national and international businesses, and civil groups. It will be the focal point for accelerated growth working within well-established partnerships to create a model cross-cutting cluster consortium of organisations committed to working to the collaborative advantage of its core community; of the health economy; and of the growth agenda of the region.

The focus of the project's research and innovation activity is Ageing, specifically Healthy Ageing and Independent Living. The opportunity to develop, evaluate and deploy new products, services and facilities for this market is very significant and growing. The North East of England area is uniquely placed to meet this opportunity, enabling a very significant improvement in the economic performance of the local area. Through the project it is proposed these organisations will undertake collaborative, applied research and innovation in areas such as skills and inclusion, product design for connectivity and independence, design of buildings and homes, digital data collection and analytics, household goods, nutrition and active living. The project will support the growing cluster and supply chain by developing new infrastructure for business development, knowledge exchange, investment and market access.

### 5.8 ***Next Steps***

5.9 Strength in Places Wave 2 was launched in May 2019 and the deadline for expressions of interest is 9 October 2019.

5.10 The North East LEP held an event on 18 July for partners interested in forming consortia to bid.

## 6.0 **Brexit**

6.1 The Board will be aware that there has been much Brexit preparatory activity at local and regional levels in the lead up to the March and April Brexit deadlines. As the October deadline approaches there have been a number of further developments – these are summarised below.

### 6.2 ***Up-date on Activities***



## Economic Development and Digital Advisory Board

- 6.3 The Information Sharing Network established by the Ministry of Housing, Communities and Local Government (MHCLG) in January 2019, with nine Local Government Chief Executive leads representing each of the nine English regions, continues to be in place. Martin Swales, Chief Executive of South Tyneside Council, continues to lead for the north east in this structure.
- 6.4 Activity over the summer has included:
- Continued contact between the nine Chief Executives, LGA and senior Departmental officials; and
  - A number of workshops led by Departmental officials to allow more detailed feedback on specific issues (local economic resilience and local economies, EU Settlement Scheme and regulatory services). A number of North East representatives attended these sessions and it is expected the output of the workshops will be shared in due course.
- 6.5 The Department asked that weekly reporting of issues and concerns from the region be restarted in September.
- As with previous arrangements these returns will be informed by feedback from each Local Authority. South Tyneside Council has maintained the network of 12 North East Local Authority's and will continue to use these leads and Brexit Lead Officers, as the key contacts to inform this reporting and for dissemination of information from Government.
- 6.6 There will also continue to be communication between regional partners to inform intelligence, including key infrastructure bodies, business representative groups, Local Resilience Forum, Universities, Colleges and the Voluntary & Community Sector.
- 6.7 ***Brexit Lead Officer roles***
- 6.8 In early August the MHCLG Secretary of State wrote to all Council Leaders asking each Local Authority to nominate a Brexit Lead Officer; a role which will take the responsibility for leading the development of a Brexit plan in each Local Authority.
- Combined Authorities are also to nominate a Brexit Lead Officer.
- 6.9 As well as direct communication, the Department has asked that Brexit Lead Officers report through the regional Chief Executive. This will ensure the 12 Brexit Lead Officers are kept in touch with developments and are able to highlight issues and concerns through the MHCLG Regional Information Network. This will also ensure any trends or patterns across the region are identified and can be acted

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upon.

### 6.10 **BEIS Readiness Structure**

6.11 As in March and April, the NELEP is expected to be asked to report weekly on business intelligence / impact, particularly feedback coming through the North East Growth Hub. As with previous arrangements there will be sharing of intelligence and key messages across key partners and the reporting structures.

### 6.12 **National Campaign**

6.13 Government are understood to be developing a national campaign to raise awareness of preparatory activity required by both citizens and business. Alongside this a review of the Gov.uk website, which houses all of the Brexit technical guidance notes, is being undertaken to make it more customer friendly.

Government will provide a toolkit to Local Authority's to support communication activities to citizens and business, with sign posting to national support and guidance.

It is understood there is likely to be a regional component of the campaign, particularly focused on communications with business. This will be directed through the Growth Hub network and the NELEP is likely to take the lead.

### 6.14 **Brexit funding**

6.15 Central Government has allocated Brexit Funding to Local Authority's and Combined Authorities to support Brexit preparations and activity.

In January 2019 a total of £40m was announced for the sector and in August 2019 a further £20m was announced. For each Local Authority and Combined Authority this means:

	2018/19 (£k)	2019/20 (£k) (Jan announcement)	2019/20 (£k) (Aug announcement)	Total (£k)
<b>Unitary Authorities</b>	105	105	105	<b>315</b>
<b>Combined Authorities</b>	91	91	91	<b>273</b>

6.16 In February 2019 Government announced £3m for Local Authorities with major ports / airports to support Brexit planning and additional capacity which might be required as a result of changes at entry points. An additional £5m was announced



## **Economic Development and Digital Advisory Board**

in August 2019 for a similar purpose. No North East Local Authorities have received this funding which is based on ‘a number of factors including the expected impact on the local area, the amount of EU goods received by port areas into the country, and the areas wider importance to the UK trade network’.

6.17 Within the August announcement Government also committed £4m in total to Local Resilience Forums (LRFs), allocated on a tiered basis, with LRFs where more disruption is expected receiving higher levels. All three LRFs in the North East (Northumbria, Durham & Darlington and Cleveland) will receive this funding of around £80k.

### **6.18 *NE Brexit Group***

6.19 The cross-partner North East Brexit Group continues to meet and provides a forum for sharing intelligence across sectors. This information and intelligence has informed action such as the Brexit Toolkit on the Growth Hub, as well as the Work Programme.

6.20 Chief Executives have been briefed separately on the development of the North East Brexit Group’s work programme, which continues to be taken forward through the NELEP, NECA and NTCA leads.

6.21 The Brexit Group is also identifying the resources and interventions that may be required for the NELEP Area, particularly if the UK leaves the EU without a withdrawal agreement.

### **7.0 EDDAB Digital Remit**

7.1 The Digital agenda has recently been encompassed within the Advisory Board’s terms of reference to align with the Economic Development and Digital Theme of the NECA (formerly the Economic Development and Regeneration Theme).

7.2 The potential scope of the Board’s remit and the issues it could include are currently being explored and proposals will be presented at the next meeting.

### **8.0 Reasons for the Proposals**

8.1 This report provides an update on Economic Development and Digital theme activities and requests views and comments from the Board.

### **9.0 Alternative Options Available**

## **Economic Development and Digital Advisory Board**

- 9.1 There are no alternative options associated with this report.
- 10.0 Next Steps and Timetable for Implementation**
- 10.1 A further update will be provided to the Board at subsequent meetings.
- 11.0 Potential Impact on Objectives**
- 11.1 The activities under the Economic Development and Digital theme will support NECA in its aims to promote economic growth and regeneration in the area.
- 12.0 Financial and Other Resources Implications**
- 12.1 Details of the Brexit funding received are set out in the report.
- 13.0 Legal Implications**
- 13.1 There are no legal implications arising from this report.
- 14.0 Key Risks**
- 14.1 There are no specific risk management issues arising from this report.
- 15.0 Equality and Diversity**
- 15.1 There are no specific equality and diversity issues arising from this report.
- 16.0 Crime and Disorder**
- 16.1 There are no specific crime and disorder issues arising from this report.
- 17.0 Consultation/Engagement**
- 17.1 There are no specific consultation and engagement issues arising from this report.
- 18.0 Other Impact of the Proposals**
- 18.1 There are no further impacts arising from the proposals.
- 19.0 Appendices**
- 19.1 None.

## **Economic Development and Digital Advisory Board**

### **20.0 Background Papers**

20.1 None.

### **21.0 Contact Officers**

21.1 Vince Taylor, Assistant Director of Economic Policy, Sunderland City Council,  
[vince.taylor@sunderland.gov.uk](mailto:vince.taylor@sunderland.gov.uk)

### **22.0 Sign off**

- 22.1
- Head of Paid Service:
  - Monitoring Officer:
  - Chief Finance Officer:

### **23.0 Glossary**

23.1 None.



## **Economic Development and Digital Advisory Board**

**Date:** 24 September 2019

Agenda Item 5

**Subject:** Economic Development and Digital Advisory Board Review - Progress Update

**Report of:** Thematic Lead for Economic Development and Digital

### **Executive Summary**

The purpose of this report is to provide a progress update on the review of the Economic Development and Digital Advisory Board.

### **Recommendations**

The Advisory Board is recommended to receive the update for information and provide any comments.

## **Economic Development and Digital Advisory Board**

### **1. Background Information**

- 1.1 It was previously agreed that a review should be undertaken in relation to the role and remit of the Economic Development and Digital Advisory Board.
- 1.2 It was considered that the Advisory Board should be re-shaped in line with the new Economic Development and Digital theme (formerly the Economic Development and Regeneration Advisory theme) and the revised NECA geography.
- 1.3 Members agreed to focus on:
  - The inclusion of the digital agenda within the theme;
  - The operation of the Advisory Board and appropriate membership and representation going forward, including the role and responsibilities of individual members;
  - Processes and mechanisms for undertaking the business and tasks of the Advisory Board.

### **2. Progress**

- 2.1 In addition to the comments provided by members of the Board at the last meeting, it was agreed that views should be gathered on an individual basis. It was agreed that meetings / telephone conversations would be arranged between board members and the Chair's office and views would be shared and fed into the review on an anonymised basis.
- 2.2 The conversations are currently taking place. Once complete, the Chair will provide a report to board members with a summary of the views put forward, and proposed recommendations and next steps.

### **3. Proposals**

- 3.1 To update the Board on progress in relation to consultations with members on the review.

### **4. Reasons for the Proposals**

- 4.1 The review is required to update the scope and purpose of the Advisory Board in line with the recently revised Economic Development and Digital theme of the NECA.

## **Economic Development and Digital Advisory Board**

### **5. Alternative Options Available**

5.1 There are no alternative options associated with this report.

### **6. Next Steps and Timetable for Implementation**

6.1 The Chair will provide board members with a summary of the individual conversations, together with proposed recommendations and next steps, in October.

### **7. Potential Impact on Objectives**

7.1 The activities under the Economic Development and Digital theme will support NECA in its aims to promote economic growth and regeneration in the area.

### **8. Financial and Other Resources Implications**

8.1 There are no financial or other resource implications associated with this report.

### **9. Legal Implications**

9.1 There are no legal implications arising from this report.

### **10. Key Risks**

10.1 There are no specific risk management issues arising from this report.

### **11. Equality and Diversity**

11.1 There are no specific equality and diversity issues arising from this report.

### **12. Crime and Disorder**

12.1 There are no specific crime and disorder issues arising from this report.

### **13. Consultation/Engagement**

13.1 There are no specific consultation and engagement issues arising from this report.

### **14. Other Impact of the Proposals**

14.1 There are no further impacts arising from the proposals.

## **Economic Development and Digital Advisory Board**

### **15. Appendices**

15.1 None.

### **16. Background Papers**

16.1 None.

### **17. Contact Officers**

17.1 Vince Taylor, Assistant Director of Economic Policy, 0191 561 1113  
[vince.taylor@sunderland.gov.uk](mailto:vince.taylor@sunderland.gov.uk)

### **18. Sign off**

- 18.1
- Head of Paid Service:
  - Monitoring Officer:
  - Chief Finance Officer:

### **19. Glossary**

19.1 None.



## **Economic Development and Digital Advisory Board**

**Date:** 24 September 2019

**Subject:** NECA Skills Agenda

Agenda Item 6

**Report of:** Thematic Lead for Economic Development and Digital

### **Executive Summary**

The purpose of this report is to provide an overview of the current skills environment in the NECA area and the influence of the wider evolving skills environment.

### **Recommendations**

The Advisory Board is recommended to receive a presentation and take part in a discussion about the NECA skills agenda and the associated issues in relation to economic growth.

## Economic Development and Digital Advisory Board

### 1. Background Information

- 1.1 The skillset of local people, the workforce that business relies upon, is one of the factors that play an important role in the development of a sustainable economy across the NECA area. Developing these skills to match those needed by local businesses so that investment and economic growth can flourish are necessary in order to improve productivity, social mobility and living standards.

The Board will receive a presentation about the existing skills barriers, changing skills policy, and opportunities going forward.

### 1.2 *Presentation overview*

- 1.3 The presentation will consider:

- Existing skills deficiencies and variability across age groups and the geography of the NECA area
- The influence of the emerging Local Industrial Strategy
- The direction of skills policy in terms of the introduction of T levels, opportunities associated with the Internet of Things, funding and devolution of the Adult Education Budget
- Key intelligence sources such as the Education & Skills Funding Agency and Skills Advisory Panel
- Levers for skills delivery through flexible funding (European Social Fund, UK Shared Prosperity Fund), and marketing / promotion around apprenticeship take up and apprenticeship Levy off-setting.

### 2. Proposals

- 2.1 This report and associated presentation, briefs the Board on the current skills environment in the NECA area and influence of the wider evolving skills environment.

### 3. Reasons for the Proposals

- 3.1 To update the Board about the factors currently impacting on the skills agenda and inform a discussion about the NECA skills agenda and the associated issues in relation to economic growth.

## **Economic Development and Digital Advisory Board**

### **4. Alternative Options Available**

4.1 There are no alternative options associated with this report.

### **5. Next Steps and Timetable for Implementation**

5.1 A further update will be provided to the Board at subsequent meetings.

### **6. Potential Impact on Objectives**

6.1 The activities under the Economic Development and Digital theme will support NECA in its aims to promote economic growth and regeneration in the area.

### **7. Financial and Other Resources Implications**

7.1 There are no financial or other resource implications associated with this report.

### **8. Legal Implications**

8.1 There are no legal implications arising from this report.

### **9. Key Risks**

9.1 There are no specific risk management issues arising from this report.

### **10. Equality and Diversity**

10.1 There are no specific equality and diversity issues arising from this report.

### **11. Crime and Disorder**

11.1 There are no specific crime and disorder issues arising from this report.

### **12. Consultation/Engagement**

12.1 There are no specific consultation and engagement issues arising from this report.

### **13. Other Impact of the Proposals**

13.1 There are no further impacts arising from the proposals.

### **14. Appendices**

## **Economic Development and Digital Advisory Board**

14.1 None.

### **15. Background Papers**

15.1 None.

### **16. Contact Officers**

16.1 Vince Taylor, Assistant Director of Economic Policy, 0191 561 1113  
[vince.taylor@sunderland.gov.uk](mailto:vince.taylor@sunderland.gov.uk)

### **17. Sign off**

- 17.1
- Head of Paid Service:
  - Monitoring Officer:
  - Chief Finance Officer:

### **18. Glossary**

18.1 None.